

RFP –3-91
SECTION ONE
GENERAL INFORMATION AND REQUESTED PRODUCTS/SERVICES

1.1 INTRODUCTION

The Indiana Department of Administration (IDOA), acting on behalf of the Indiana Family and Social Services Administration (FSSA) Office of Medicaid Policy and Planning (OMPP), requires managed care monitoring services. It is the intent of IDOA to solicit responses to this Request for Proposals (RFP) in accordance with the statement of work, proposal preparation section, and specifications contained in this document.

1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are more localized and defined where they appear, rather than in the following list.

Acceptance	The designated period following completion of the installation of the quality-monitoring contractor. During the acceptance period, the State will evaluate all features and performance of the installation of the quality-monitoring contractor.
Adult	Enrollee or member ages 21-64 years old.
Aged	Enrollee or member ages 65 years old or greater.
Auto-assignment	A goal of the Indiana Medicaid managed care programs is to have all members choose a primary medical provider. However, if a member fails to make a Primary Medical Provider (PMP) selection within 60 days of being determined eligible for <i>Medicaid Select</i> or within 30 days of being determined eligible for Hoosier Healthwise, the member will be assigned to a PMP through an auto-assignment process. Auto-assignment is a federal requirement (42 CFR 438.50(f)) for Medicaid managed care programs.
Benefit Advocate	A staff member or sub-contractor of the Enrollment Broker who must perform outreach, education, enrollment facilitation, and PMP choice counseling for members and potential enrollees.
Bidder	Proposal respondent to RFP.
Child	Generally refers to an enrollee or member ages 0-20 years old (i.e., up to their 21 st birthday). However, the term child may be broken out into age sub-groups.

CHIP	Children's Health Insurance Program – With the advent of the CHIP, which covers uninsured children with family incomes of up to 200% of the federal poverty level (FPL), it was Indiana's desire to develop a seamless program to serve the CHIP population as well as the Medicaid-eligible children, low-income families and pregnant women. As a result, FSSA created the Indiana Health Coverage Programs (IHCP) and Hoosier Healthwise was expanded to include the children eligible for CHIP. CHIP members are required to pay premiums for coverage.
Choice Counseling	Activities such as answering questions and providing information (in an unbiased manner) on available Managed Care Organization (MCO) or Primary Care Case Management (PCCM) delivery system options, and advising on what factors to consider when choosing among them and in selecting a PMP or a specialist PMP (42 CFR 438.810). For further details on 42 CFR 438.810 see http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/cfr_2002/octqtr/pdf/42cfr438.810.pdf)
CMS	Centers for Medicare and Medicaid Services – Federal agency that oversees Medicaid programs. Formally known as the Health Care Financing Administration or HCFA.
Community Partnerships (Community Partners)	Local community entities that can perform the choice counseling function of the <i>Medicaid Select</i> enrollment broker. Per federal requirements, these partners must be independent of any MCO, PHP, PCCM, or other health care provider in the State in which they provide enrollment services. (See 42 CFR 438.810 at http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/cfr_2002/octqtr/pdf/42cfr438.810.pdf)
DFC	Division of Family and Children – The umbrella organization administering the county social services offices, located within the Indiana Family and Social Services Administration (FSSA). County DFC offices determine an applicant's eligibility for Medicaid and CHIP.
Disability	Indiana Medicaid disability is defined in IC 12-14-15-1 and IC 12-15-4-4. Indiana Medicaid has 209(b) status and does not use the SSI disability definition. For further details for IC 12-14-15-1 please see http://www.ai.org/legislative/ic/code/title12/ar14/ch15.html#IC12-14-15-1 . For further details for IC 12-15-4-4 please see http://www.ai.org/legislative/ic/code/title12/ar15/ch4.html#IC12-15-4-4 .

Disenrollment	<p>Disenrollment can be one of the following:</p> <ul style="list-style-type: none"> • Disenrollment due to IHCP eligibility – the member is no longer eligible to receive IHCP services • Disenrollment due to program eligibility – the member is eligible to receive IHCP services but not eligible to be in managed care due to transition into one of the population exclusion criteria (e.g., member now in a waiver program). • Disenrollment from MCO – the member has changed his/her PMP that is in another health plan or in PCCM.
Dual Eligibles	Those who are enrolled and eligible for both Medicaid and Medicare services (i.e., Medicare/Medicaid beneficiaries). Dual eligibles are eligible for <i>Medicaid Select</i> .
Enrollee (Member)	A person who is eligible for Medicaid services and enrolled in an Indiana Medicaid managed care program.
Enrollment Activities	Activities such as distributing, collecting and processing enrollment materials and taking enrollments (i.e., PMP selections) by phone or in person. The enrollment broker is responsible for enrolling potential enrollees into the appropriate managed care program.
Enrollment Broker	<p>The enrollment broker functions include: enrollee outreach and education, choice counseling, member enrollment and maintaining the Helpline. An enrollment broker and its subcontractors must be independent of any MCO or other health care provider in the State in which they provide enrollment services and maintain freedom from conflict of interest (42 CFR 438.810). Please see the following link for more information on 42 CFR 438.810</p> <p>http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/cfr_2002/octqtr/pdf/42cfr438.810.pdf.</p>
EQRO	External Quality Review Organization, as defined in 42 CFR 438.320, means an organization that meets the competency and independence requirements set forth in 42 CFR 438.354 and performs external quality review, other EQR-related activities as set forth in § 438.358, or both.
FPL	Federal Poverty Level – Family income guidelines set by the federal government for the administration of social service benefits. The state-specific guidelines are adjusted for the cost of living in each state. Financial eligibility for social service programs is often based on a percentage of the FPL.
FSSA	Indiana Family and Social Services Administration. Consists of, but not limited to, the following offices or divisions:

- OMPP: Office of Medicaid Policy and Planning
- CHIP: Office of the Children’s Health Insurance Program
- HoosierRx: Indiana Prescription Drug Program
- DFC: Division of Family and Children
- DDARS: Division of Disability, Aging and Rehabilitation Services
- DMHA: Division of Mental Health and Addiction

Fiscal Agent OMPP contractor responsible for managing the information systems related to the processing and reporting of member and provider enrollment, claims, and encounter data. This contractor is responsible for making capitation payments to MCOs and for reimbursing fee-for-service providers on behalf of OMPP. The current fiscal agent contractor is Electronic Data Systems (EDS).

HEDIS Health Plan Employer Data and Information Set. HEDIS is a set of standardized performance measures designed to ensure that purchasers and consumers have the information they need to reliably compare the performance of managed health care plans. HEDIS is sponsored, supported and maintained by NCQA (see www.ncqa.org website).

HIPAA Health Insurance Portability and Accountability Act of 1996 (see <http://www.hipaa.com/> or for further details).

Hoosier Healthwise Indiana’s health care program for children, low-income families and pregnant women. It consists of the federal-state funded programs of Medicaid and CHIP and is administered by the State to provide reimbursement for reasonable and necessary medical care for persons meeting both medical and financial eligibility requirements. Different benefit packages are available to the various populations eligible for Hoosier Healthwise, primarily Package A (Standard); Package B (Pregnancy); and Package C (Children’s Health Plan). Hoosier Healthwise consists of Primary Care Case Management (PCCM), Risk-Based Managed Care (RBMC) and fee-for-service delivery systems. For purposes of this RFP, Hoosier Healthwise refers to the managed care component, which consists of PCCM and RBMC. See www.healthcareforhoosiers.com for more information.

HoosierRx Indiana’s prescription drug plan for low-income seniors. Information is available at the <http://www.state.in.us/fssa/rxprogram/rxhome.htm> website.

IAC The Indiana Administrative Code.

IC The Indiana Code.

IDOA	Indiana Department of Administration - The agency soliciting responses to this Request for Proposals (RFP), acting on behalf of the Indiana Family and Social Services Administration (FSSA) and the Office of Medicaid Policy and Planning (OMPP).
IHCP	Indiana Health Coverage Programs – The Indiana Health Coverage Programs include the 590, Traditional Medicaid, Hoosier Healthwise and <i>Medicaid Select</i> . A complete description of IHCP programs can be found in Bulletin BT199928, available on the web at www.indianamedicaid.com .
Implementation	The successful installation of the quality-monitoring contractor as specified in the contract resulting from this RFP.
IndianaAIM	The name of the State’s medical assistance and payment information system; the acronym stands for Indiana Advanced Information Management System.
Installation	The delivery and physical setup of products or services requested in this RFP.
Institutionalized	Enrollees or members in IHCP who are in nursing homes, in intermediate care facilities for the mentally retarded (ICF/MR) and other residential facilities, or enrolled in one of the waiver programs. These members are not eligible for managed care.
MCE	Managed Care Entities - consists of RBMC managed care organizations (MCOs) and PCCM Administrator.
MCO	Managed Care Organization – A contracting organization that assumes financial risk for developing and managing a health care delivery system as well as arranging for and providing covered services to its members. An MCO must be a federally-qualified HMO authorized by the Indiana Department of Insurance to operate a prepaid health care delivery plan in Indiana. MCOs are paid a monthly capitation payment for each member enrolled in their plan, according to the rates established for each capitation category.
Managed Care	Built on the “medical home” concept, managed care members are assigned to a primary medical provider (PMP). Consists of PCCM and RBMC delivery systems.
Mandatory MCO Enrollment	Hoosier Healthwise members who reside in Allen, Elkhart, Lake, Marion, and St. Joseph counties must be enrolled in an MCO by January 1, 2003. This does not affect the <i>Medicaid Select</i> or

	Traditional Medicaid fee-for-service (FFS) members. Also referred to as Mandatory RBMC.
Medicaid	The Indiana Medicaid Program.
MOC	Memorandum of Collaboration – An agreement between a PMP and either another physician or mid-level practitioner, e.g., physician assistant or certified nurse midwife, which defines the roles and responsibilities of members of each party and is approved by OMPP.
NCQA	National Committee for Quality Assurance.
OMPP	Office of Medicaid Policy and Planning. OMPP is the division within FSSA responsible for managing this contract.
PCCM	Primary Care Case Management – Managed care delivery system, which is similar to Traditional Medicaid in that payments for care are made on a fee-for-service (FFS) basis. In addition, a per member/per month administration fee is paid to primary medical providers.
PMP	Primary Medical Provider – A physician who provides preventive and primary medical care, as well as authorization and referrals for all medically necessary specialty services. The PMP must be available 24-hours a day, seven days a week, and assumes total management of the members non-emergency medical needs. A PMP must be an IHCP enrolled physician in the field of general practice, family practice, general pediatrics, general internal medicine, and obstetrics/gynecology (OB/GYN). In <i>Medicaid Select</i> , the PMP may also be a specialist (e.g., a geriatric practitioner or cardiologist).
Products	Tangible goods or manufactured items as specified in this RFP.
Proposal	An offer as defined in IC 5-22-2-17.
RBMC	Risk-Based Managed Care – Managed care delivery system, which utilizes contracted MCOs to arrange for and deliver certain health care services to their enrolled members. This delivery system is used in Hoosier Healthwise and may begin for <i>Medicaid Select</i> members in the near future.
Respondent	An offeror as defined in IC 5-22-2-18.
Services	Work to be performed as specified in this RFP.

State agency (State)	An office of the Executive Branch of the government of the State of Indiana.
Vendor	Any successful respondent selected as a result of the procurement process to deliver the products and services requested by this RFP.

1.3 PURPOSE OF THE RFP

The OMPP seeks to contract with an entity to monitor and evaluate the performance of managed care entities (MCEs) as part of the Office of Medicaid Policy and Planning's (OMPP's) effort to improve the quality of the Hoosier Healthwise and *Medicaid Select* managed care programs. The entity will provide the State with data and process analyses to produce findings and recommendations for the overall improvement of the managed care programs.

The contractor will assist OMPP in evaluating the effectiveness and efficiency of Hoosier Healthwise and *Medicaid Select* and the MCEs participating in the programs. See Attachment H for the program overview. The contractor will evaluate the readiness of new managed care organizations (MCOs) to participate in the programs and assess compliance of MCOs with State and Federal regulations (i.e., 405 IAC 5, 42 CFR 438) and OMPP contract requirements (e.g., MCO BAA 01-28, call 232-3034 for details). The contractor will also compare MCO policies, procedures, and performance against nationally established standards, when available, as well as Indiana State-specific performance standards. The contractor shall coordinate with other OMPP contractors and the MCOs to conduct analyses and provide the State with findings, and recommendations for quality improvement. Please see Attachment D, *Scope of Work*, for further details.

1.4 SCOPE OF THE RFP

This document contains the following information that may be useful to anyone wishing to submit a proposal:

Section One -- A description of many factors affecting the proposal process and procedures.

Section Two -- A description of the required format and subject content of any acceptable proposals offered in response to this document.

Section Three -- A general discussion of the method that will be used by an evaluation team in selecting a respondent to recommend to State officials with whom to enter contract negotiations.

Attachments -- Details supporting this basic RFP document.

1.5 ISSUING OFFICE

In accordance with Indiana statute, IDOA has issued this RFP on behalf of FSSA. The content has been prepared by the staff of FSSA and others. This RFP is being posted to

the State of Indiana website (<http://www.in.gov/idoa/proc>). One copy of this RFP may be provided free of charge. A nominal fee will be charged for providing additional copies.

1.6 DUE DATE FOR PROPOSALS AND QUESTIONS

All proposals must be received at the address below by the Procurement Division no later than **3 p.m. Eastern Standard Time on August 6, 2003**. Each respondent must submit one original (marked "Original") and six (6) complete copies of the proposal, including the transmittal letter and other related documentation as required in this RFP. Two complete copies of the proposal must be provided on a 3 1/2" diskette and/or on CD-ROM size 650. No more than one proposal per respondent should be submitted. Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond that sufficient to present a complete and effective proposal, are not desired. All proposals must be addressed to:

Jayme Short
Procurement Division
Indiana Department of Administration
402 West Washington Street, W468
Indianapolis, IN 46204

All proposal packages must be clearly marked with the RFP number, due date, and time due. Any proposal received by the Procurement Division after the due date and time will not be considered. Any late proposals will be returned, unopened, to the respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per respondent should be submitted.

The State of Indiana accepts no obligations for costs incurred by respondents in anticipation of being awarded a contract.

All proposals submitted to the State should be double-sided and printed on 30% post-consumer recycled content paper or tree-free paper. When possible, soy ink should be used.

Caution to respondents about shipping/mailing: United States Postal Express and Certified Mail are both delivered to the Government Center Central Mailroom and not directly to the designated department. It is the responsibility of the respondent to make sure that solicitation responses are received by the Procurement Division on or before the designated time and date.

All questions regarding this RFP must be submitted in writing to the above address no later than **3 p.m. Eastern Standard Time on July 16, 2003**. Inquiries may also be submitted via fax (**317-234-1281**) or email rfp@idoa.state.in.us and must be received by IDOA by the time and date indicated above. Questions submitted after 3 p.m. may not be

considered. Following the question due date, IDOA personnel will assemble a list of the compiled questions asked by all respondents. The responses will be posted to the IDOA website approximately one week after the question due date listed in the RFP timetable, Section 1.26. The Question and Answer link will not become active until IDOA has provided responses to all questions. IDOA reserves the right to judge whether any questions should be answered in writing, and copies will be placed on the Procurement page on the State's web site for downloading, distributed to all prospective respondents who are known to have received a copy of the original RFP, or both. Only answers signed by the Director of the Procurement Division or designee or posted on the State's web site will be considered official and valid by the State. No negotiations, decisions, or actions shall be initiated by any respondent as a result of any verbal discussion with any State employee.

Inquiries are not to be directed to any staff member of FSSA. Such action may disqualify respondent from further consideration for a contract as a result of this RFP.

1.7 PRE-PROPOSAL CONFERENCE

It is the decision of the State that no pre-proposal conference is required for this RFP.

1.8 MODIFICATION OR WITHDRAWAL OF OFFERS

Responses to this RFP may be modified or withdrawn in writing or by fax notice received prior to the exact hour and date specified for receipt of proposals. The respondent's authorized representative may also withdraw the proposal in person, providing his or her identity is made known and he or she signs a receipt for the proposal. Proposals may not be withdrawn after the proposal due date and time has passed.

Modification to or withdrawal of a proposal received by the Procurement Division after the exact hour and date specified for receipt of proposals will not be considered. If it becomes necessary to revise any part of this RFP or if additional data is necessary for an exact interpretation of provisions of this RFP prior to the due date for proposals, a supplement will be posted by the Procurement Division to the State of Indiana website. If such addenda issuance is necessary, IDOA reserves the right to extend the due date and time of proposals to accommodate such interpretations or additional data requirements.

1.9 PRICING

IDOA requests the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date. Cost proposals shall follow the form outlined in this RFP.

Bidders must submit their cost proposal in the format provided in Attachment F. For each task listed in Attachment D: Scope of Work, the respondent must list the price for the number of hours estimated by the OMPP for each task. The bidder will be evaluated based on the total proposed price.

FSSA and IDOA recognize there are certain industry practices for service providers. However, the Departments encourage respondents, in their responses to the RFP, to be as creative as possible regarding cost to the State, as cost efficiency for the State will be a consideration in determining whether a contract(s) will be awarded based on responses to the RFP and the selection of a service provider.

1.10 DISCUSSION FORMAT

The State reserves the right to conduct discussions, either oral or written, with those respondents determined by the State to be reasonably viable to being selected for award. If discussions are held, the State may request best and final offers. IDOA Procurement will schedule all discussions. Any information gathered through oral discussions should be confirmed in writing.

The request for best and final offers may include:

- Notice that discussions are concluded.
- Notice that this is the opportunity to submit written best and final offers.
- Notice of the date and time for submission of the best and final offer.
- Notice that if any modification is submitted, it must be received by the date and time specified or it will not be considered.
- Notice of any changes in the State's requirements.

The State reserves the right to reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of initial proposals received. Therefore, each proposal should contain the respondent's best terms from a price and technical standpoint. The State reserves the right to reopen discussions after receipt of best and final offers if it is clearly in the State's best interest to do so and the Director of the Procurement Division or designee makes a written determination of that fact. If discussions are reopened, the State may issue an additional request for best and final offers from all respondents determined by the State to be reasonably susceptible to being selected for award.

Following evaluation of the best and final offers, the State may select for negotiations the offers that are most advantageous to the State, considering price or cost and the evaluation factors in the RFP.

The State also reserves the right to conduct clarifications to resolve minor issues. If only clarifications are sought, best and final offers may not be requested. The State retains sole authority to determine whether contact with respondents is for clarification or discussion.

1.11 CONTRACT NEGOTIATIONS

After recommendation of a selected respondent by appropriate officials of the State, contract negotiations will commence. The contract will be based primarily on the required clauses of the State as indicated in the State contract as appears in Attachment B of this document; secondly, on those required clauses by the respondent that are acceptable to the State; and, additionally, on any desirable clauses that either party would

like to incorporate into the contract. If at any time contract negotiation activities are judged to be ineffective by the Commissioner of IDOA or designee, IDOA will cease all activities with that respondent and begin contract negotiations with the next highest ranked respondent. This process may continue until either both the respondent and the State of Indiana execute a completed contract or IDOA determines that no acceptable alternative proposal exists.

1.12 REFERENCE SITE VISITS

The State may request a site visit to a respondent's working support center to aid in the evaluation of the respondent's proposal.

1.13 TYPE AND TERM OF CONTRACT

The State of Indiana intends to sign a contract with one respondent to provide the complete set of products and services listed in this RFP. The State will not entertain joint bids.

The term of this contract shall be for a period of two (2) years, beginning January 1, 2004 (or from date of final State approval of contract), and ending December 31, 2005. There may be renewals for a total of two (2) more years at the State's option.

1.14 CONTRACT OBLIGATIONS

Attachment B of this document is the form of the expected contract resulting from this RFP. Although the State anticipates that any respondent submitting a proposal will provide the major portion of the products and services as requested, subcontracting by the respondent is acceptable in performing the requirements of this RFP. However, the respondent must obtain the approval of IDOA before subcontracting any portion of the project's requirements. The respondent is responsible for the performance of any obligations that may result from this RFP and shall not be relieved by the non-performance of any subcontractor. Any respondent's proposal must identify all subcontractors and outline the contractual relationship between the respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal. This RFP is subject to the Minority Business and Women's Enterprise Division. The requirements are explained elsewhere in the RFP.

Any subcontracts entered into by the respondent must be in compliance with all State of Indiana statutes and be subject to the provisions thereof. For each portion of the proposed products and services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the respondent and any or all subcontractors will be considered in the State's evaluation. The respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the

subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the respondent must be made available upon request for inspection and examination by appropriate State officials and such relationships must meet with the approval of the State.

1.15 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Indiana Public Records Act, IC 5-14-3 *et seq.*, and, after the contract award, may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Indiana Public Records Act must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked “Confidential” and must indicate in the transmittal letter and on the outside of that envelope that confidential materials are included. The respondent must also specify which statutory exception provision applies. The State reserves the right to make determinations of confidentiality. If the State does not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the respondent. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, the State will remove the proposal from consideration for award and return the proposal to the respondent. The State will not determine prices to be confidential information.

1.16 STATE OF INDIANA OBLIGATIONS

The State of Indiana accepts no obligations for costs incurred by respondents in anticipation of being awarded a contract.

The State of Indiana creates no obligation, expressed or implied, by issuing this RFP or by receipt of any responses submitted pursuant hereto. The award of any contract(s) as a result of this RFP shall be at the sole discretion of FSSA and IDOA. Neither this RFP nor any response (proposal) submitted hereto are to be construed as a legal offer.

1.17 CONTRACT COMPONENTS

Any or all portions of this RFP and normally any or all portions of the respondent’s response will be incorporated by reference as part of the final contract. Proprietary or confidential material submitted properly (see Section 1.15) will not be disclosed.

1.18 PROPOSAL LIFE

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date for proposals. Any proposal accepted by the State for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by the State.

1.19 TAXES

The State of Indiana is exempt from federal, state, and local taxes. The State will not be responsible for any taxes levied on the respondent as a result of the contract resulting from this RFP.

1.20 SECRETARY OF STATE REGISTRATION

In accordance with IC 5-22-16-4, before an out-of-state respondent can do business with the State, the respondent must be registered with the Indiana Secretary of State. If an out-of-state respondent does not have such registration at present, the respondent should contact

Secretary of State of Indiana
Corporation Division
402 West Washington Street, E018
Indianapolis, IN 46204
(317) 232-6576

for the necessary application form. It is each respondent's responsibility to register prior to the initiation of any contract discussions.

1.21 EQUAL OPPORTUNITY COMMITMENT

Pursuant to IC 4-13-16.5 and in accordance with 25 IAC 2-20, the Director of the Procurement Division of IDOA has determined that there is a reasonable expectation of minority business enterprise participation in this contract. Therefore a contract goal of 5 percent minority business enterprise participation has been established and all respondents and their subcontractors will be expected to comply with the regulation set forth in 25 IAC 2-20.

Compliance with these regulations will be considered to be a demonstration of the respondent's responsiveness and responsibility. Failure to comply with these regulations may result in the determination of the respondent as non-responsive. For further instructions, please consult 25 IAC 2-20.

1.22 MINORITY BUSINESS ENTERPRISE PARTICIPATION PLAN

In accordance with 25 IAC 2-20, the respondent is expected to submit within the proposal a Minority Business Enterprise participation plan or make an application for waiver from the contract goal. Failure to provide the minority business participation plan or to make an application for waiver of the participation goal at the time of proposal submission may result in the disqualification and rejection of the proposal. Please note that IDOA reserves the right to verify all information included on minority business enterprise participation plans and applications for waiver from the contract goal before making final determinations of the respondent's responsiveness and responsibility.

Additionally, the plan must show that there are racial minority owned enterprises participating in the contract. The participation can be, but is not limited to, a

subcontractor or second tier participation with common suppliers such as office supplies, courier service, and/or janitorial services. The respondent submitting an offer must indicate the name of the racial minority owned firm(s) that will participate in the award, a contact name and phone number, the service to be supplied, and the specific dollar amount from this contract that will be directed toward each firm.

A respondent can and must submit an application for a waiver if minority participation cannot be achieved. However, the respondent is expected to demonstrate a good faith effort to meet the participation goal, presently 5%, for the program. A good faith effort consists of documenting the effort that was made to achieve the goal. The same information supplied on the plan must be supplied on a waiver. (See above paragraph) Respondents are encouraged to contact and work with the Minority Business and Women's Enterprise Division of the Indiana Department of Administration to design a plan to meet established goals. The Minority Business and Women's Enterprise Division's website address is as follows: www.in.gov/idoa/minority

By submission of the proposal, the respondent thereby acknowledges and agrees to be bound by the regulatory processes involving the State of Indiana's minority business enterprise program. Questions involving the regulations governing the minority business enterprise participation plan and the application for waiver from the contract goal should be directed to:

Minority Business and Women's Enterprise Division
Indiana Department of Administration
402 W. Washington St., Room W469
Indianapolis, IN 46204
(317) 233-6607

1.23 U.S. MANUFACTURED

Each proposal must contain an explanation of what steps will be used to encourage the use of American-made products. The State does apply a U.S. Manufactured preference as set out in IC 5-22-15-21.

1.24 RECYCLED PRODUCTS

Each proposal should contain an explanation of what recycled materials are used and identify the recyclability of products offered in response to this RFP.

1.25 AMERICANS WITH DISABILITIES ACT

The respondent specifically agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.* and 47 U.S.C. 225).

1.26 SUMMARY OF MILESTONES

The following timeline is only an illustration of the RFP process. The dates associated with each step are not to be considered verbatim. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process all respondents will be informed of the evaluation team's findings, according to the choice of notification method they selected in Attachment C.

<u>ACTIVITY</u>	<u>COMPLETION DATE</u>
Respondent inquiry period ends	July 16, 2003
Final State responses to inquiries	July 23, 2003
Proposal submission date	August 6, 2003
Notice of discussions*	August 13, 2003
Discussions*	August 20, 2003
Request for best and final offers (BAFO)*	August 27, 2003
Receipt of best and final offers*	September 3, 2003
Proposal evaluation completed*	September 10, 2003
Recommendation to IDOA*	September 17, 2003
Notify selected respondent	September 24, 2003
Contract negotiations begin*	October 1, 2003
Contract negotiations end*	October 8, 2003
Negotiated contract readied*	October 15, 2003
Contract signed by respondent*	October 22, 2003
State review begins*	October 29, 2003
State review ends*	November 3, 2003
Receipt of State approval*	January 1, 2004

** These dates are subject to the determination of the need for discussions. If discussions are not required, the process could reach a completion date at least four weeks earlier than the listed date for contract signature.*

1.27 PROPOSAL AND PERFORMANCE BOND (25 IAC 1.1-1-5)

A proposal bond in the amount of \$10,000 is required to guarantee the financial stability of the company and to guarantee that the respondent is willing to sign a contract with the State. The original proposal bond must be included with the original proposal; photocopies of the bond are to be included in the copies of the proposal. Proposal bonds will be returned after the contract has been fully executed with the selected respondent or if it is necessary to cancel the procurement. Proposal bonds must be submitted in the form of a cashier's check, certified check, or surety bond. If the surety bond is executed, the surety company must be authorized to do business in the State of Indiana as approved by the Indiana Department of Insurance. This surety must be made payable to "Indiana Department of Administration" and may be cashed by the State if the selected respondent fails to enter into a contract with the State if selected by the State to do so. The proposal bond should be submitted to the following address:

Jayme Short
Procurement Division
Indiana Department of Administration
402 West Washington Street, W468
Indianapolis, IN 46204

A respondent shall forfeit the proposal bond if the respondent is selected and fails to sign a contract within 14 days from receipt of a final contract document or the respondent is selected and cannot obtain the operational performance bond (if required) within 10 days of contract signing.

Either of the above time frames may be extended by IDOA.

A performance bond in the amount of \$200,000 will be required to guarantee the performance of the selected respondent after the contract is signed. The performance bond, which is due within 10 calendar days after the execution of the contract, must be made payable to "Indiana Department of Administration" and must be in the form of a certified check, cashier's check, or a bond acquired from a surety company registered with the Indiana Department of Insurance. The bond must remain in effect for the duration of the contract. Notwithstanding any other provisions relating to the beginning of the term, the contract shall not become effective until the Performance bond required by the contract is delivered in the correct form and amount to IDOA. The performance bond should be submitted to the following address:

Jayme Short
Procurement Division
Indiana Department of Administration
402 West Washington Street, W468
Indianapolis, IN 46204

Respondents wishing the return of a proposal or performance bond should attach a self-addressed envelope. The requested document will be returned as soon as possible after

the award (proposal bond) or upon successful completion of the contract (performance bond). Bonds not claimed may be destroyed upon successful completion of the contract.

SECTION TWO PROPOSAL PREPARATION INSTRUCTIONS

2.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the respondent's proposal or the proposal may be rejected.
- The transmittal letter should be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.
- The State may, at its option, allow all respondents a five-calendar-day period to correct errors or omissions to their proposals. Should this necessity arise, the State will contact each respondent affected. Each respondent must submit written corrections to the proposal within five calendar days of notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by the State as a minor error or omission and may result in disqualification of the proposal from further evaluation.

2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

2.2.1 Summary of Ability and Desire to Supply the Required Products and Services

The transmittal letter must briefly summarize the respondent's ability to supply the requested products and services that meet the application requirements defined in Section Three of this RFP. The letter must also contain a statement indicating the respondent's willingness to provide the requested products and services subject to the terms and conditions set forth in the RFP including, but not limited to, the State's mandatory contract clauses and submission of a proposal bond of \$10,000 and a performance bond of \$200,000.

2.2.2 Signature of Authorized Representative

A person authorized to commit the respondent to its representations and who can certify that the information offered meets all general conditions including the information requested in Section 2.3.4, must sign the transmittal letter. Such person's authority to so act must be consistent with the information contained in Section 2.2.1 of this RFP. **In the transmittal**

letter please indicate the principal contact for the proposal along with an address, telephone, and fax number.

2.2.3 Respondent Notification Request

Attachment C provides respondents an opportunity to indicate the preferred method of notification of the vendor selection made for this solicitation. Unless otherwise indicated, respondents will be notified via U.S. mail with the assumption of delivery within 3 business days. If there is no preference in this regard, Attachment C does not need to be submitted with the respondent's proposal and notification will be made by U.S. mail.

It is the respondent's obligation to notify the Procurement Division of any changes in address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect vendor/contractor addresses.

2.2.4 Other Information

This item is optional. Any other information the respondent may wish to briefly summarize will be acceptable.

2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as "optional."

2.3.1 General

This optional section of the business proposal may be used to introduce or summarize any information the respondent deems relevant or important to the State's successful acquisition of the products and services requested in this RFP.

2.3.2 Respondent Company Structure

This section will include, for the bidder and each subcontractor, details of the background of the organization, its size and resources, management strategy (including subcontractor management, if applicable), project monitoring, corporate experience relevant to the proposed effort, and a list of other current or recent related projects. The legal form of the respondent's business organization, the state in which incorporated (if a corporation), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products

and services in the United States must be described in more detail than other components of the organization. This section should also include an explanation of how the company meets the EQR requirements stated in 42 CFR 438.354. All must be met except for 42 CFR 438.354 (c)(3)(iii) which are the duties of this contractor.

2.3.3 Company Financial Information

This section should include the respondent's audited financial statement, such as an income statement or balance sheet, for each of the two most recently completed fiscal years. The financial statements should demonstrate the respondent's financial stability. If the organization includes more than one product division, separate financial statements must be provided for the division responsible for the development and marketing of the requested products and services.

2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility, which are mandatory, include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the firm assures board integrity, the separation of audit functions and consulting services. The State of Indiana will consider the information offered in this section to determine the responsibility of the offeror per IC 5-22-16-1(d).

Federal law H.R. 3763, the "Sarbanes Oxley Act of 2002" is NOT directly applicable to this acquisition, however, its goals and objectives were used to develop our mandatory areas of interest.

2.3.5 Facilities and Resources

The respondent should include information with regard to the organization's resources that it deems advantageous to the successful provision of the requested products and services. This might include management capabilities and experience, technical resources, and operational resources not directly assigned to this project, but available if needed.

2.3.6 Required Contract Clauses

Indiana law requires the inclusion of certain language in all contracts. Also, the nature of the products and services requested in this RFP may present a need for the inclusion of certain commitments in any contract

resulting from this RFP. Attachment B of this document contains a sample contract that could be similar to the one resulting from this RFP. For this RFP, all contract clauses are mandatory.

Respondents should review these clauses in detail because a specific agreement to these clauses is required in the Transmittal Letter. If a respondent wishes to suggest alternative wording for one or more of these mandatory clauses without changing the intent, these suggestions may, at the respondent's option, be documented in this section of the Business Proposal. The respondent's suggested language will be considered by the State during the contract negotiation process. The State's willingness to consider alternative language does not change the requirement that the respondent agree in the Transmittal Letter to the acceptance of the State mandatory clauses as written.

2.3.7 Pricing and Charges

The State requests the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date as well as any extensions agreed to in the course of contract negotiations.

Bidders must submit their cost proposal in the format provided in Attachment F. For each task listed in Attachment D: Scope of Work, the respondent must list the price for the number of hours estimated by the OMPP for each task. The bidder will be evaluated based on the total proposed price.

2.3.8 References

The respondent should include a completed Reference Form for at least four (4) clients for whom the respondent has provided products and services that are the same or similar to those products and services requested in this RFP. The Reference Form is included in Attachment E. Any state government for whom the respondent has provided these products and services should be included; also to be included should be clients with locations near Indianapolis, as site visits may be arranged. The more similar the referenced products and services are to those requested in this RFP, a greater weight may be attached to the references in the State's evaluation process.

2.3.9 Registration to do Business

Selected out-of-state respondents providing the products and/or services required by this RFP must be registered to do business within the state by the Indiana Secretary of State. The address contact information for this office may be found in Section 1.20 of this RFP. This process must be

concluded prior to contract negotiations with the State. It is the successful respondent's responsibility to complete the required registration with the Secretary of State. The respondent must indicate the status of registration, if applicable, in this section of the proposal.

2.3.10 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

2.3.11 Subcontractors

The respondent must list any subcontractors that are proposed to be used in providing the required products and services. The subcontractor's responsibilities under the proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The respondent must indicate which, if any, subcontractors qualify as a Minority Business under IC 4-13-16.5-1. See Section 1.22 and Attachment A for Minority Business information.

2.3.12 Respondent Contract Requirements

This section is optional. If the respondent wishes to include any language other than that discussed in the Business Proposal, this language should be included in this section. For each clause included in this section, the respondent should indicate that the clause is required by the respondent in any contract resulting from this RFP and why it is required (if the required clause is unacceptable to the State, the respondent's proposal may be considered unacceptable) or indicate that the clause is desired (but not required) by the respondent in any contract resulting from this RFP.

2.3.13 Bonds

This section will indicate the respondent's inclusion of the mandatory proposal bond and ability to procure the mandatory performance bond. See Section 1.27 for details regarding proposal and performance bonds.

Notwithstanding any other provisions relating to the beginning of the term, any contract will not become effective until the performance bond, if required by the contract, is delivered in the correct form and amount to the address indicated in Section 1.27.

2.4 TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as described below. Every point made in each section must be addressed in the order given with the question first stated followed by the respondent's response. The same outline numbers must be used in the response. **RFP language should not be repeated within the response.** Where appropriate, supporting documentation may be referenced by a page and section number. If there are multiple attachments, these must be listed and organized as an appendix for ease of use by the State. Any proposal that does not meet the minimum requirements specified above may be deemed non-responsive.

The Technical Proposal responses to this RFP must be concise and no more than eighty (80) pages, double-sided, not to exceed forty (40) sheets of paper. The Business Proposal, Attachments and the Cost Proposal are not included in the response page count.

Proposals must address all tasks described in Attachment D, Scope of Work, and shall include the following sections:

- a) Executive Summary
- b) Project Organization and Staffing
- c) Technical Approach and Work Schedule
- d) Statement of Issues

2.4.1 Executive Summary

Each bidder will prepare an executive summary that condenses and highlights the contents of the technical proposal to provide the proposal reviewers and evaluators with a broad understanding of the entire proposal. The executive summary should not exceed five (5) pages.

2.4.2 Project Organization And Staffing

This section should identify the proposed staff members for both the bidder and any subcontractors and provide information on the relevant experience and background of proposed key personnel. Bidders shall describe their anticipated staffing both in quantitative terms and with representative resumes that will provide the State with a clear understanding of the bidder's staff approach for each activity. A description of the tasks to be performed by each proposed staff member and estimates of the staff-hours to be provided by each individual should also be included. An organization chart of project staff should be provided.

The vendor's employees are expected to have experience in:

- a.) Health care economics
- b.) Health care research
- c.) Understanding of MCO operations

- d.) Managed care finance
- e.) Medicaid HEDIS
- f.) Shadow claims/encounter data (claims details)
- g.) External quality review of MCOs
- h.) Other MCO quality review experience
- i.) Reviews of clinical data
- j.) Data and statistical systems
- k.) Medicaid managed care programs

The vendor must also demonstrate a clear understanding of Indiana Medicaid's managed care program.

Three (3) references should be provided for all key staff members that are proposed for the project. The Reference Form for these references is included in Attachment E. The State may contact these references. Complete resumes for key personnel should be included, in addition to the written reference form, in an appendix of the proposal.

Any substitution of staff from the original proposal must have prior written approval of OMPP. OMPP reserves the right to accept or reject staff substitutions. OMPP also reserves the right to require staff substitutions if performance of individual staff is unsatisfactory.

2.4.3 Technical Approach and Work Schedule

This section of the proposal shall include a detailed description of the bidder's approach to all tasks described in Attachment D: Scope of Work. All tasks must be addressed and cross-referenced. At a minimum, the following items must be included in this section.

- a) A general description of the technical approach to be used and the rationale for selecting this approach.
- b) Narrative approach describing how the vendor proposes to accomplish the tasks as outlined in this RFP.
- c) The scope of work to be performed by the subcontractor(s) (if any).
- d) Implementation timeline.

2.4.4 Statement Of Issues

This section will review the policy, background, and technical issues critical to the conduct of the project. The bidder's understanding of the issues and relevance of those issues for determination of a technical approach should be described. The bidder should discuss potential project constraints and its approach to overcoming those constraints.

2.5 MINORITY BUSINESS ENTERPRISES PARTICIPATION PLAN

A properly completed and signed form (Attachment A) must be included as part of the proposal. Respondents must indicate the name of the racial minority-owned firm(s) with which it will work; the contact name and phone number at the firm(s); the service supplied by the firm(s); and the specific dollar amount *from this contract* that will be directed toward each firm. If 5 percent of the anticipated proceeds from this contract cannot be directed toward racial minority-owned enterprises, the respondent may demonstrate that a minimum of 5 percent of overall annual proceeds (from all business) are directed to racial minority-owned enterprises. Please note: Respondents' claims for participation will be validated prior to contract award.

SECTION THREE PROPOSAL EVALUATION

3.1 PROPOSAL EVALUATION PROCEDURE

The State of Indiana has selected a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFP requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for form on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements will normally be eliminated from consideration. Respondents should note that agreement to the State's mandatory contract clauses is required in the Transmittal Letter and will be evaluated for such under the form category.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point/percentage score will be established for each category.
- 3.1.3 If technical proposals are close to equal, greater weight could be given to price.
- 3.1.4 Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected by IDOA and FSSA for further action, such as contract negotiations. If, however, IDOA and FSSA decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the respondent, IDOA may begin contract preparation with the next qualified respondent or determine that no such alternate proposal exists.

3.2 EVALUATION CRITERIA

Proposals will be evaluated based upon the proven ability of the respondent to satisfy the requirements of the RFP in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The percentage of the total point score associated with each category is indicated following the category name.

Following the evaluation of each proposal (both business and technical components) by each evaluation team member, the team will meet and finalize the technical score for each bidder. A minimum threshold of 40 percentage points has been established. At the discretion of IDOA and OMPP, any technical proposal not meeting the minimum threshold may be deemed non-responsive and may be returned to the vendor, without evaluating the cost proposal.

3.2.1 Evaluation of Mandatory Requirements (pass/fail)

Each proposal will be reviewed to verify compliance with the applicable rules of procurement as defined in the RFP and to ensure that each proposal is complete and sufficiently responsive to the proposal requirements to permit a complete evaluation. Mandatory requirements include the following:

- Transmittal Letter
- Business Proposal
 - Corporate references
 - Financial statement
- Technical Proposal
 - Executive summary
 - Key personnel references
 - Project staffing organization chart
 - Technical approach addressing each major activity outlined in Attachment D-Scope of Work
 - Statement of issues
- Cost Proposal - Format as provided in Attachment F

Failure to meet any of the requirements may result in a rejection of the proposal.

3.2.2 Evaluation of Business Proposals (15 points)

Only those proposals satisfying the mandatory criteria will be considered for further evaluation. The evaluation of business proposals will involve a point scoring of each proposal in several areas, according to established criteria. A maximum of 15 will be available for the business proposal. The areas, as described previously in Section 2.3, are:

- a) Corporate Structure (2.3.3) and Financial Resources (2.3.3, 2.3.4)
- b) Corporate References and Relevant Experience (2.3.8, 2.3.11)
- c) Facilities and Other Resources (2.3.5)

3.2.3 Evaluation of Technical Proposals (65 points)

The evaluation of technical proposals will involve a point scoring of each proposal in several areas, according to established criteria. A maximum of 65 points will be available for the technical proposal. The areas are:

- a) Project Organization and Staffing
- b) Technical Approach
- c) Statement of Issues
- d) Work Schedule

3.2.3.1 Project Organization and Staffing

OMPP will evaluate the proposed project organization and staffing using criteria covering the relevant experience and qualifications of key personnel and the bidder's staffing approach for each task outlined in the Scope of Work. (See Section 2.4.3)

3.2.3.2 Technical Approach

The OMPP will base the evaluations on the ability of the bidder to meet the outcome needs of the OMPP, as well as the bidder's ability to achieve specific tasks. (See Section 2.4.4) The outcome needs of OMPP include, but are not limited to, the following:

- a) Studies using statistically valid methodologies
- b) Knowledge of other state experience or national information available relevant to quality improvement and performance measures
- c) Clear, concise, professional report documents
- d) Project scheduling and completing projects according to schedule

At a minimum, the following factors will be considered in evaluating the technical approach:

- a) Completeness and quality of the bidder's approach to fulfilling the anticipated role of the monitoring contractor and performing the required tasks and activities
- b) Technical expertise in gathering data and manipulating large databases and statistical models

3.2.3.3 Statement of Issues

The evaluation of the statement of issues will include the adequacy of the bidder's understanding of the project, including potential constraints and proposed solutions.

3.2.3.4 Work Schedule

The evaluation of the work schedule will include reasonableness of the start up timelines as well as ongoing milestones throughout the project.

3.2.4 Evaluation of Cost Proposals (20 points)

Following the evaluation of all technical proposals by all evaluation committee members, the committee will meet and finalize each bidder's score. For each technical proposal that meets the minimum technical threshold level of 40, the corresponding cost proposal will be reviewed to determine its compliance with the cost proposal requirements of this RFP. Any technical proposal not meeting the minimum threshold will be deemed non-responsive and will be returned to the bidder without evaluation of the cost proposal.

Cost proposals will be examined to determine whether the prices quoted are consistent with the contents of the technical proposal and to determine whether the calculations are accurate. Any cost proposal that is incomplete or that contains deviations, inconsistencies, or inaccuracies, may be rejected. OMPP reserves the right to reject any proposal.

The lowest priced proposal will be awarded 20 points. All other bidders will be given pro-rated points by determining the differential between the lowest cost proposal and each of the other bidder's costs. Points for these other proposals will be awarded using the following formula:

$$\frac{\text{Total Bid Price for lowest cost proposal}}{\text{Total Bid Price of Cost Proposal A}} \times 20 = \text{points for Cost Proposal A}$$

3.2.5 Minority Business Participation Plan (pass/fail)

All proposals will be reviewed by members of FSSA and IDOA. References may be contacted. It is possible that persons participating in the selection process, through IDOA, will interview finalists. The Commissioner of IDOA or his designee will, in the exercise of his sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.